

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7884**

**BILL NUMBER:** HB 1891

**DATE PREPARED:** Feb 23, 2001

**BILL AMENDED:** Feb 21, 2001

**SUBJECT:** Discipline in schools.

**FISCAL ANALYST:** David Hoppmann

**PHONE NUMBER:** 232-9559

**FUNDS AFFECTED:** X

**GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires a school corporation to provide an educational program for students who receive expulsions.

*(1) Compensation for Leave-* It provides that a teacher who is assaulted while performing the teacher's duties must receive full compensation for any resulting leave that is required by the teacher and that the compensation does not count against the teacher's sick leave or vacation leave benefits.

*(2) Education Programs and Funding Grants-* It provides that an expelled student's education program may include an assignment to attend various kinds of programs. It provides a funding grant administered by the Department of Education (the Department), establishes the amount of the grant as equal to the amount provided per pupil under current law for alternative education grants, and obtains funding from money appropriated under current law for alternative education grants.

*(3) Teacher Consultation-* It requires consultation with a teacher acting in an advisory capacity before action is initiated to suspend or expel a student or to take other disciplinary action against a student.

*(4) Compulsory School Attendance & Transfer Tuition-* It provides that an expelled student's absence from the student's educational program is a violation of the compulsory school attendance laws. It provides for the payment of transfer tuition for transfer students who are expelled.

*(5) Intimidation and Parental Declaration of Responsibility-* It requires the reporting of a threat or intimidation of a school employee. It requires the Department to establish and seek the adoption as a local school policy of a parental declaration of responsibilities concerning the education of the parent's child.

*(6) Student ADM Counts-* It includes in the average daily membership (ADM) of a school corporation those expelled students who receive educational services.

(7) *Actionable Offense*- It establishes a specific actionable offense for communicating a threat by using school or other governmental property, including electronic equipment or systems.

(8) *Principal Notification of Adjudication*- It provides for notification of a student's principal by the court if the student is adjudicated to be a delinquent child or if the student is convicted of a criminal offense.

(9) *Declared Emergency*- It provides contingency leave with pay for a teacher who lives in a county in which an emergency is declared.

(10) *Claims Paid*- It requires a school corporation to pay a judgement, compromise, or settlement of a claim against an employee acting within the scope of the employee's employment.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures: (Provisions 2 and 5)** The Department could experience a minimal increase in administrative expenses associated with these provisions of the bill.

*Grant Program*- This bill does not make an appropriation for the grant program. However, it requires monies appropriated under current law for alternative education programs to be used for educational programs for expelled students at a maximum of \$750 per student.

For FY 2000-01, \$7.5 M was appropriated to the Department by P.L. 273-1999 for alternative education programs. This bill would require that the Department begin providing grants for educational programs for expelled students from this appropriation for school year 2002.

Currently, school corporations are awarded up to \$750 per full-time equivalent student (the maximum) for alternative education programs. It is likely that the Department would be required to scale back this amount in order to fund the educational grant program for expelled students. (Expelled students already receiving an alternative education experience would not be counted by the school corporation for an educational grant in accordance with this bill.)

**(Provision 7)** A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$20,700 in FY 1999. Individual facility expenditures ranged from \$14,936 to \$37,807. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually or \$5 daily per prisoner. The average length of stay in DOC facilities for all Class D felony offenders is approximately ten months.

**Explanation of State Revenues: (Provision 7)** If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class D felony is \$10,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures: (Revised) (Provisions 1 and 5)** School corporations would experience an indeterminable increase in administrative expenditures regarding these two provisions. The specific effects would vary between school corporations, and would depend upon the number of teachers assaulted, the number of days in leave that such a teacher would need to take, and the size of school corporations opting to adopt the Department's

parental declaration of responsibility.

**(Provision 7)** If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

**(Provision 8)** This provision could result in a minimal increase in administrative expenses for school corporations regarding the dissemination of delinquency adjudication and conviction information made available by trial courts. The specific effects are currently indeterminable, would vary between school corporations, and would depend upon the number of school requests for “statement of fact” information.

*Trial Courts-* This provision of the bill would result in a minimal increase in administrative expenses for trial courts concerning notification requirements to public and nonpublic schools. In addition, counties could experience similar increases regarding the reporting of delinquency adjudication and conviction information to schools upon request. The specific effects are currently indeterminable, would vary between counties, and would depend upon the number of school requests for “statement of fact” information.

In CY 1999, 26,643 juvenile delinquency cases were filed in Indiana courts of record.

**(Provisions 9 and 10)** These provisions could result in an increase in administrative expenses for school corporations regarding contingency leave and judgement, compromise, and settlement claims paid. The specific effects are currently indeterminable and would vary between school corporations.

**Explanation of Local Revenues: (Provision 2)** All 294 school corporations would be eligible for grants regarding educational programs for expelled students at a maximum of \$750 per student. School corporations would be able to defray their increases in administrative time and cost regarding the provisions of this bill with these grants. However, the specific effects would depend upon the following: 1) future appropriations for alternative education programs; 2) grant amounts determined by the Department for both alternative education programs and educational programs for expelled students; and 3) the number of expelled students who are already receiving an alternative education.

*Existing Programs-* Currently there are approximately 300 alternative education programs conducted by 125 school corporations in Indiana. This bill would require that all school corporations provide some sort of alternative education to students who receive expulsions.

School corporations could experience a decrease in revenues relating to existing alternative education programs due to the Department scaling back the current alternative education grant amount. The specific effects are currently indeterminable and would vary between school corporations.

A complete listing of State alternative education grant awards (received in CY 1999) by the 130 school corporations participating in the current grant program is available at the Legislative Services Agency.

*ADM Counts-* School corporations would be allowed to include expelled students in their average daily membership (ADM) count taken in September of each year and finalized in December for the purposes of the school funding formula. However, since students would need to be expelled before the count date on or about September 20 of a new school year, it is not likely that suspensions would be of a significant number.

However, students expelled for an extended period of time (such as one year) during the second semester, and included in the following year’s ADM count under the provisions of this bill, could total approximately 2050.

Regardless (as is true under current law), school corporations would be able to keep dollars generated by the school funding formula for students expelled after the September count date for the school year.

*Expulsion Background-* For school years 1996 through 1998, respectively, the number of expulsions was 8,982; 9,340; and 10,229. For school year 1999, the number of expulsions was 9,263. Of this amount, 2,050 students were referred to and attended alternative education programs; 728 were referred to programs but did not attend; and 6,485 were not referred at all.

For the 2000 school year, Indiana's average daily membership (ADM) consisted of 951,410 students, and public school enrollment totaled 988,065. Approximately 1,900 public schools were in operation within Indiana's 294 school corporations during that time.

**(Provision 7)** If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Department of Education; Department of Correction.

**Local Agencies Affected:** School Corporations; Trial Courts; Local Law Enforcement Agencies.

**Information Sources:** Barbara Lucas, Department of Education (317) 232-0579; DOE ORACLE Data Tables; 1999 Indiana Judicial Report; Indiana Sheriffs Association; Department of Correction.